

White House Mum on Casey TV Stock

Newsday Washington Bureau

Washington — White House press secretary Larry Speakes refused to say yesterday whether the White House believed that CIA Director William Casey's holdings in Capital Cities Communications might put him into a conflict of interest because of the company's proposed merger with American Broadcasting Cos. Inc.

Speakes confirmed that Casey had not made his Capital Cities holdings a part of his blind trust. But asked if there might be a conflict of interest in light of the proposed merger, Speakes

said: "I don't know. I think this is what we have an Office of Government Ethics for, and I'm sure they would [be] ready to perform their duty, if, indeed, it was."

Other government agencies will examine aspects of the giant merger.

Newsday reported Sunday that Casey had exempted 34,755 shares of Capital Cities from the blind trust he set up in 1982. A lawyer with the Office of Government Ethics said Friday that the exemption was made because, at the time, the concern was over holdings that might be connected with Ca-

sey's position as head of the U.S. intelligence community, such as oil and gas stocks.

Speakes was asked by ABC correspondent Sam Donaldson what would happen if the merger went through and then the CIA complained to the FCC about ABC's news practices, as it actually did in November. The FCC dismissed that complaint.

Speakes responded with a smile, "Casey now will be directly able to deal with Roone [ABC News President, Roone Arledge] and he'll omit the FCC."
—Jim Klurfeld

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